

Bill No. SB 2-B

Barcode 671898

CHAMBER ACTION

Senate

House

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

Comm: WD
12/05/2005 07:03 PM

.
. .
. .
. .
. .
. .

The Committee on Health Care (Peaden) recommended the following amendment:

Senate Amendment (with title amendment)

On page 36, line 28, delete that line

and insert:

(8)(a) The Office of Insurance Regulation shall provide ongoing guidance to the agency in the implementation of risk-adjusted rates. Beginning on the effective date of this act, the Office of Insurance Regulation shall make advisory recommendations to the agency regarding:

1. The methodology adopted by the agency for risk-adjusted rates, including any suggestions for improving upon the predictive value of the system.

2. Alternative options based on the agency's methodology.

3. The risk-adjusted rate for each Medicaid eligibility category in the demonstration program.

4. Administrative and implementation issues regarding the use of risk-adjusted rates, including, but not limited to,

Bill No. SB 2-B

Barcode 671898

1 cost, simplicity, client privacy, data accuracy, and data
2 exchange.

3 5. The appropriateness of phasing in risk-adjusted
4 rates.

5 (b) As a part of this process, the Office of Insurance
6 Regulation shall contract with an independent actuary firm to
7 assist in the annual review and to provide technical
8 expertise.

9 (c) As a part of this process, the agency shall
10 solicit input concerning the agency's rate-setting methodology
11 from the Florida Association of Health Plans, the Florida
12 Hospital Association, the Florida Medical Association,
13 Medicaid recipient advocacy groups, and other stakeholder
14 representatives as necessary to obtain a broad representation
15 of perspectives on the effects of the agency's adopted
16 rate-setting methodology and recommendations on possible
17 modifications to the methodology.

18 (d) The Office of Insurance Regulation shall submit a
19 report of its findings and advisory recommendations to the
20 Governor and the Legislature before the implementation of
21 risk-adjusted rates on July 1, 2006, and annually thereafter
22 no later than February 1 of each year for consideration by the
23 Legislature for inclusion in the General Appropriations Act.

24 (9) Notwithstanding any other provisions of law to the
25 contrary, adjustments to risk-adjusted capitation rates must
26 be implemented through rules of the agency, as required by s.
27 409.9124, based upon the recommendation of the committee.

28 (10) The capitation rates for plans participating
29 under s. 409.91211 must be phased in as follows:

30 (a) In the first year, the capitation rates must be
31 weighted so that 75 percent of each capitation rate is based

Bill No. SB 2-B

Barcode 671898

1 on the current methodology and 25 percent is based upon a new
2 risk-adjusted capitation rate methodology.

3 (b) In the second year, the capitation rates must be
4 weighted so that 50 percent of each capitation rate is based
5 upon the current methodology and 50 percent is based upon a
6 new risk-adjusted rate methodology.

7 (c) In the third year, the capitation rates must be
8 weighted so that 25 percent of each capitation rate is based
9 upon the current methodology and 75 percent is based upon a new
10 risk-adjusted capitation rate methodology.

11 (d) In the following fiscal year, the risk-adjusted
12 capitation methodology may be fully implemented.

13 (11) The agency must ensure that, when using a
14 risk-adjusted rate methodology in whole or in part:

15 (a) The agency's total annual payment is based on each
16 managed care plan's own aggregate risk score, except that the
17 aggregate risk score of any managed care plan in an area may
18 not vary by more than 10 percent from the aggregate weighted
19 mean of all managed care plans providing comprehensive
20 benefits to TANF and SSI recipients in that area. The agency's
21 total annual payment to a managed care plan must be based on
22 the revised aggregate risk score.

23 (b) After any adjustments required under paragraph
24 (a), the aggregate payments calculated to be made to managed
25 care plans on behalf of enrollees in any pilot area are no
26 less than the aggregate payments would have been using the
27 current rate methodology under s. 409.9124. If the agency
28 determines that such aggregate payments under the
29 risk-adjusted methodology will be lower than the aggregate
30 payments that the plans would have been paid using the current
31 rate methodology under s. 409.9124, supplemental payments must

Bill No. SB 2-B

Barcode 671898

1 be made to managed care plans such that the proportion of
 2 overall revenue remains the same on an aggregate basis per
 3 plan. Such supplemental payments must be made in an amount
 4 that brings total payments to the amount that would have been
 5 paid under s. 409.9124.

6 (12) Before the implementation of risk-adjusted
 7 capitation rates, the rates must be certified by an actuary
 8 and approved by the Centers for Medicare and Medicaid
 9 Services.

10 (13) It is the intent of the Legislature that if any
 11
 12

13 ===== T I T L E A M E N D M E N T =====

14 And the title is amended as follows:

15 On page 2, line 28, after the semicolon,
 16
 17 insert:

18 requiring the Office of Insurance Regulation to
 19 provide guidance in implementing risk-adjusted
 20 rates; requiring a report; providing guidelines
 21 for adjustments to risk-adjusted capitation
 22 rates; providing for minimum aggregate payments
 23 to manage care plans on behalf of enrollees;
 24
 25
 26
 27
 28
 29
 30
 31